

**Testimony of
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**Before the
United States House Small Business Committee
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Good Morning Mr. Chairman and distinguished members of the committee. I am James Schmidt, President of Hohulin Fence Company. Thank you for the opportunity to present the views of Hohulin Fence on our experience as a small veteran-owned business trying to survive in a down economy with limited funding.

Hohulin Fence Co. was established in 1897, some 112 years ago, as a family owned company in Goodfield, Illinois, a small farming community in Central Illinois. Hohulin Fence was the first company in the United States to weave chain link fence commercially. That first contract was for 396 feet of 48" high chain link fence with 1 gate for the grand sum of \$26.90 installed. Today, that wouldn't pay for the gate hardware. The Hohulin brothers were an inventive group who took the first hand operated machine and engineered and designed an automatic weaving machine which increased production immensely. The Hohulins went on to increase their business including selling weaving machines to Cyclone Fence Company of Waukegan, Illinois for World War I base security. Through the years the company survived both World Wars and the Great Depression. Although a conservative family, the Hohulins were always able to provide for their families and those of their employees.

Today, Hohulin Fence is still family owned. In fact, I married the youngest daughter of one the 3rd generation brothers. I have 2 Hohulin 5th generation employees. We are a union company which services approximately 100 mile radius selling and installing commercial and industrial fencing to universities, schools, sports facilities, government facilities, private companies, parks, utilities, and pipeline companies.

As everyone in this room knows, the current economic climate has been extremely difficult for small contractors and the customers we serve. Our larger manufacturing customers continue to reduce staffing and cut back production. All municipalities are struggling with declining sales tax revenues and at the same time residents have reduced their discretionary spending. Every market we serve has been impacted.

This has had a direct impact on our business. In 2007 we posted revenues of approximately 4 million dollars. In 2008 our revenues were reduced by 15% and would have been off by 33% had steel pricing not increased so dramatically. Steel is another topic for another day.

The sales revenues would have been worse if not for the rapidly escalating steel prices that we struggled to deal with. We reduced staffing, by 20%, to adjust for the reduction in sales. We have watched smaller competitors close their doors as they can no longer get financing to operate their businesses.

As a veteran-owned small business I see no advantage for us. If I were a disabled veteran there may be a few more opportunities but not many. I believe if a veteran owned business would receive the same benefits as a WBE or DBE we would have more work available for us to bid. Typically, most federally funded projects require a certain percentage of minority participation. We are not able to bid many of these projects because we are not considered a minority enterprise. I know that many of our larger construction contractors struggle to fulfill the minority participation on large projects because there just aren't many WBE and DBE firms in this area. Many times companies are brought in from outside the state to fill this requirement. I don't think it is fair to a local contractor not to be able to bid projects in our backyard. Also, the WBE and DBE are able to place a higher bid and receive the contract.

With a level playing field, I am confident Hohulin Fence can compete in the marketplace –and as a commercial business remaining competitive is **our** responsibility. What we need from Congress are the right policy actions to ensure the playing field remains level.

Congress and the Administration must ensure that the funds available through the American Recovery and Reinvest Act are made accessible by small businesses through equitable contract administration.

Currently, our country seems to be paralyzed by the fear of the unknown: Whether they will have a job tomorrow or not; whether they will lose their home or not; whether they can provide for their families or not. We are all looking to Washington for an answer.

Mr. Chairman, I applaud the efforts of you and your colleagues on the committee to bring the voice of small business into this important debate. I look forward to working with you and your colleagues in support of small business in the current economic climate.

